

Message Text

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PAGE 01 NEW DE 10882 261433Z

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TO SECSTATE WASHDC 7340

INFO AMCONSUL BOMBAY

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AMCONSUL MADRAS

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TAGS: ETRD, IN

SUBJECT: INDIAN EXPORT CONTROLS

REF: A) STATE 148224; B) NEW DELHI A-238, JULY 9, 1975;

C) NEW DELHI A-288, AUGUST 28, 1975

1. GOI EXPORT CONTROLS REMAIN FUNDAMENTALLY UNCHANGED FROM THOSE REPORTED IN REFS B AND C. GOI OFFICIALS STATE THAT A PRIMARY OBJECTIVE OF THE GOVERNMENT IS TO PROMOTE EXPORTS TO THE MAXIMUM EXTENT IN ORDER TO FINANCE VITALLY NEEDED IMPORTS, BUT IN A MANNER SO THAT THE COUNTRY'S ECONOMY IS NOT ADVERSELY AFFECTED BY UNREGULATED EXPORTS OF COMMODITIES ESSENTIALLY NEEDED ON THE DOMESTIC MARKET. THE EXPORTS (CONTROL) ORDER, 1968, AS AMENDED FROM TIME TO TIME, LISTS COMMODITIES THAT ARE NOT NORMALLY ALLOWED TO BE EXPORTED AND THOSE THAT CAN BE EXPORTED WITHIN QUANTITATIVE OR MONETARY CEILINGS. THE ORDER ALSO INCLUDES ITEMS THAT MUST BE EXPORTED EXCLUSIVELY BY GOVERNMENT-OWNED OR OTHER SPECIFIED CORPORATIONS.

2. THE GOI CONTINUES TO REGULATE THE EXPORT OF SEMI-PROCESSED HIDES AND SKINS BY ANNUAL QUOTAS CALCULATED AS A PERCENTAGE OF AN EXPORTER'S SPECIFIED BASE YEAR EXPORTS. THE QUOTA WAS MOST RECENTLY REDUCED LAST MAY (NEW DELHI A-134). EXPORT OF RAW HIDES AND SKINS IS ALMOST COMPLETELY BANND, AND SEMI-PROCESSED LEATHER CAN ONLY BE EXPOTTED THROUGH THE GOVERNMENT-OWNED STATE TRADING CORPORATION. THE DECLARED OBJECTIVE OF THE GOI LEATHER
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 NEW DE 10882 261433Z

EXPORT POLICY IS TO ENSURE ADEQUATE RAW MATERIAL SUPPLIES FOR THE

DOMESTIC TANNING INDUSTRY AND TO PROMOTE EXPORTS OF FINISHED LEATHER PRODUCTS.

3. TO CONSERVE FOREST PRODUCTS, THE EXPORTS (CONTROL) ORDER DOES NOT PERMIT EXPORTS OF DIPTEROCARPUS SPECIES OF WOOD AND LUMBER, EXCEPT OF ANDAMAN ORIGIN; FIGURED LAUREL LOGS; MAPLE WOOD; BALSA WOOD; STUMPS AND ROOTS OF WALNUT; AND SEMUL. EXPORT OF SOFT WOOD (CONIFER) AND CERTAIN VARIETIES OF HARD LUMBER IS ALLOWED SUBJECT TO QUANTITATIVE QUOTAS, WHILE EXPORT LICENSES FOR OTHER TYPES OF LUMBER ARE ISSUED FREELY. THE LUMBER EXPORT POLICY, INITIALLY VALID FOR IFY (APRIL 1 - MARCH 30) 1975-76, HAS BEEN EXTENDED FOR IFY 1976-77.

4. THE LIST OF PRODUCTS THAT MUST BE EXPORTED EXCLUSIVELY THROUGH THE INDIAN GOVERNMENT'S TRADING CORPORATIONS OR GOVERNMENT-SPONSORED AGENCIES INCLUDES DRIED FISH, RICE, CASTOR OIL, JUTE, SUGAR, CERTAIN MINERALS AND METALS, CEMENT AND SEMI-PROCESSED HIDES AND SKINS.

5. THE GOI IMPOSES EXPORT DUTIES ON A SMALL LIST OF COMMODITIES LARGELY TO PROVIDE INCREASED REVENUES BUT ALSO TO REGULATE DOMESTIC STOCKS. ON FEBRUARY 12, 1976 THE GOVERNMENT INCREASED EXPORT DUTY ON COFFEE FROM RS.50 PER QUINTAL TO RS.300; AND REIMPOSED EXPORT DUTIES OF RS.800 A METRIC TON ON GROUNDNUT IN KERNEL AND RS.600 A METRIC TON ON GROUNDNUT IN SHELL. THESE ACTIONS WERE DESIGNED TO INCREASE THE DOMESTIC SUPPLY AND REDUCE THE ABNORMALLY HIGH DOMESTIC PRICES OF COFFEE AND GROUNDNUTS.

6. LAST FEBRUARY 12 THE GOI ALSO REMOVED EXPORT DUTIES RANGING BETWEEN RS.100 AND RS.200 A METRIC TON ON JUTE SACKING, JUTE WEBBING AND JUTE YARN AND TWINE. THESE DUTIES WERE REMOVED TO INCREASE THE COMPETITIVENESS OF JUTE PRODUCTS IN THE INTERNATIONAL MARKET.

7. A REVISED (1975-76) EDITION OF THE MINISTRY OF COMMERCE PUBLICATION "EXPORT TRADE CONTROL HANDBOOK OF POLICY AND PROCEDURE" WAS ISSUED IN JANUARY 1976, AND COPIES WERE TRANSMITTED UNDER CERP. THREE ADDITIONAL COPIES ARE BEING SENT SEPARATELY TO EB/OT/TA.

UNCLASSIFIED

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PAGE 03 NEW DE 10882 261433Z

8. THE EMBASSY WILL CONTINUE TO REPORT ON MAJOR GOI EXPORT POLICY CHANGES WHEN THEY OCCUR.SAXBE

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